

<div>CITY OF SAN JOSÉ, CALIFORNIA Department of Planning, Building and Code Enforcement 801 North First Street, Room 400 San José, California 95110-1795</div> <div>STAFF REPORT</div>		Hearing Date/Agenda Number P.C. 7/10/02 Item: 4.b.
		File Number PDC02-014
		Application Type Planned Development Rezoning
		Council District 3
		Planning Area North San Jose
		Assessor's Parcel Number(s) 235-02-001 & 235-02-002
PROJECT DESCRIPTION		Completed by: Elena Lee
Location: Northeast corner of North First Street and East Gish Road		
Gross Acreage: 0.5	Net Acreage: 0.42	Net Density: 51.1 du/ac
Existing Zoning: CN Commercial Neighborhood	Existing Use: Vacant	
Proposed Zoning: A(PD) Planned Development	Proposed Use: Mixed Use with up to 3230 sq. ft. of ground floor commercial and 22 multi-family attached residential units on second and third floors	
GENERAL PLAN		Completed by: EL
Land Use/Transportation Diagram Designation Rincon South Specific Plan: Transit Corridor Residential (25-65 DU/AC) and General Commercial		Project Conformance: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> See Analysis and Recommendations
SURROUNDING LAND USES AND ZONING		Completed by: EL
North: Commercial/Hotel	CN Neighborhood Commercial	
East: Restaurant, Apartment Buildings	LI Light Industrial and CG General Commercial	
South: Hotel	CG General Commercial	
West: North First Street/Multifamily Residential (duplex)	R-2 Residential and R-1-8 Single Family Residential	
ENVIRONMENTAL STATUS		Completed by:
<input type="checkbox"/> Environmental Impact Report found complete <input checked="" type="checkbox"/> Negative Declaration completed on June 28, 2002		<input type="checkbox"/> Exempt <input type="checkbox"/> Environmental Review Incomplete
FILE HISTORY		Completed by: EL
Annexation Title: Orchard No. 8		Date: November 1, 1951
PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION		
<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Approval with Conditions		Date: _____ Approved by: _____ <input type="checkbox"/> Action <input checked="" type="checkbox"/> Recommendation
APPLICANT	DEVELOPER/OWNER	CONSULTANT
BEC. Inc., Attn: Barry Mirkin. 542 Lakeside Drive, Suite 2A. Sunnyvale, CA 93953	The Southland Corporation. Attn: Tom Greenland. 2711 Haskell Avenue. Dallas, TX 75204	Sanford Getreu, AICP. P.O. Box 685. Pebble Beach, CA 93953

---

**PUBLIC AGENCY COMMENTS RECEIVED**

---

Completed by: EL

**Department of Public Works**

See attached Memoranda for Project Comments and Traffic Analysis

---

**Other Departments and Agencies**

See attached Memoranda from Fire Department, Valley Transportation Authority and Environmental Services Department

---

**GENERAL CORRESPONDENCE**

---

See attached community meeting notice and correspondence and petition in support of project.

---

**ANALYSIS AND RECOMMENDATIONS**

---

**BACKGROUND**

The applicant, Southland Corporation, is proposing to rezone a 0.5 gross acre site on the northeast corner of North First Street and Gish Road from CN Commercial Neighborhood to A(PD) Planned Development. The proposed rezoning would allow a three-story mixed-use building with up to 3,230 square feet of ground floor commercial space and 22 multi-family attached residential units, a 24-space surface parking lot and a small amount of landscaped area. The ground floor commercial space is designed to be occupied by two separate tenants. The residential portion consists of 16 studios, 4 one-bedroom units and 2 two-bedroom units.

The rectangular-shaped lot is currently vacant. The most recent use on the site was a gas station that ceased operations approximately 10 years ago. Site remediation for the gas station use has been completed. The surrounding land uses consist of commercial to the north, commercial and the Kerley area residential neighborhood to the east, the Rosemary Gardens residential neighborhood across North First Street to the west and hotel/commercial to the south. The two adjacent uses are a Best Western San Jose Lodge along the northern property line and the Menara Moroccan Restaurant along the eastern property line. To the south, across Gish Street, is the Wyndham Hotel. Another hotel, the E-Z-8 Hotel is located further north of the site on First Street. None of these uses is anticipated to be redeveloped within the near future. The site is located within the "Kerley Neighborhood" area as designated in the Rincon South Specific Plan.

**ENVIRONMENTAL REVIEW**

An Initial Study was prepared for this project and a Mitigated Negative Declaration was circulated for public review by the Director of Planning on June 6, 2002. The mitigated Negative Declaration was adopted on June 28, 2002. The primary issue addressed in the environmental review was the potential impact of road noise and light rail from North First Street and Gish Road on future residents of the apartment. Potential traffic impacts were also included in the analysis.

## Noise

A noise report prepared by a qualified noise consultant included project specific recommendations for windows, doors and general construction best management practices. With these mitigation measures, the impact of road noise and the operation of the light rail on the interiors of the proposed units will be reduced to a less-than-significant level to meet both the City of San Jose and the State of California Noise Insulation Standards for residential multi-family buildings.

The noise report's recommended mitigation measures include double-glazed thermal windows, weather seals and a ventilation system that will provide a habitable living environment with the windows closed regardless of the outside temperature. The noise report acknowledges that the noise levels in the private open spaces located along a very urban street frontage will exceed the noise standards that are recommended in the General Plan. However, the General Plan also recognizes that it is not always possible to achieve recommended standards for exterior noise when a project is located adjacent to a major thoroughfare, such as North First Street. The General Plan acknowledges that the city's goal of placing housing along light rail corridors results in housing in urban areas that are inherently noisy.

## Traffic

The City's Public Works Department completed an in-house traffic analysis for the subject property. It was estimated that a 3,230 square foot commercial building and 22 multi-family residences would generate 42 AM and 42 PM Peak Hour Trips (PHT). With the exception of the intersection of North First Street and Sonora Avenue, all signalized intersections are currently operating primarily at a Level of Service (LOS) "A" or "B". The intersection of North First and Sonora has a Level of Service of "C". Based upon these estimates and the combination of the existing good level of service and the insignificant amount of peak hour traffic generated by the project, the Director Public Works has determined that the proposed project meets the City's Level of Service Policy.

## **GENERAL PLAN CONFORMANCE**

The proposed rezoning is consistent with the San José 2020 General Plan Land Use/Transportation Diagram designations of Rincon South Specific Plan: Transit Corridor Residential (25-65 DU/AC) and General Commercial. As discussed below, the project has been designed to substantially conform to the Rincon South Specific Plan.

## **ANALYSIS**

The key issues for this proposed rezoning are the project's consistency with the Rincon South Specific Plan and the Residential Design Guidelines, in terms of land use, site design and building orientation, building design and height, setbacks and landscaping, parking and open space.

## Land Use

A major goal of the Rincon South Specific Plan is to provide for the “intensification of development in proximity to the Metro and Gish Light Rail stations and the establishment of a new multi-family residential and mixed-use district. Ideally the Rincon South area will support a mixture of residential and commercial uses that will create a ...pedestrian-oriented activity center within San Jose.” The site is designated Rincon South Specific Plan: Transit Corridor Residential and General Commercial. In the Specific Plan, this combination of designations was provided to encourage either high density residential, with a density of 25-65 dwelling units per acre or a vertical mixed-use development with commercial or retail on the first floor and residential above. This designation has been reserved for suitable sites proximate to Light Rail stations. The Specific Plan states that development under this designation should be designed to encourage transit use, not automobile use. The plan requires new retail development along North First Street to be oriented to the Gish Light Rail Station and to serve the local neighborhoods. The Rincon South Specific Plan encourages this mix of commercial and residential uses as part of the Guadalupe Intensification Corridor. Without a Planned Development Rezoning to allow vertical mixed-use, the property owner may develop a small-scale retail use under the current zoning of CN Neighborhood Commercial.

The proposed PD rezoning will allow a vertical mixed-use project with commercial/retail use on the ground floor and 22 multifamily attached residential dwelling units on the second and third floors. The density of the project is approximately 51 DU/AC, which is in keeping with the Rincon South Specific Plan goal of an average of at least 45 DU/AC for all targeted sites. The project site is located adjacent to the Gish Station of the Guadalupe Corridor Light Rail line and is designed to take advantage of access to mass transit. The project will have entrances to the retail component on First Street, adjacent to the light rail station, and on Gish Road, which is adjacent to the Kerley neighborhood. This rezoning will provide much needed retail uses to support the existing office, hotel and residential developments in the immediate area and will bring in more housing and encourage transit use.

## Site Design and Building Orientation

The Rincon South Specific Plan states that new retail and mixed use development should be designed to promote pedestrian access by facing onto the most significant bordering street, consistent with traditional “main street” development. Buildings should be placed to present a relatively unbroken façade to the street. The project conforms to the Specific Plan’s site design and building orientation criteria. The building is sited so it extends completely across the North First Street and Gish Road frontages. The first floor footprint is smaller than the second and third floors, which extend over the site driveways, to increase the overall building’s street presence. Residents and customers will drive under the second and third floors to access the surface parking lot. As a result, the parking lot, and trash enclosures and other equipment will be screened from public view by the building. The site’s proximity and building’s orientation to the Gish Light Rail Station will make the project conveniently located for easy access from and to the light rail station. The building is placed near setback lines so it is oriented to and integrated with pedestrian and transit circulation routes. The primary entrance into the retail area will be at the corner of North First Street and Gish Road, while the primary entrance for the residential component will be on Gish Road at a less prominent position.

### Building Design and Height

The Rincon South Specific Plan encourages the development of street presence as an urban design goal for the area and especially for North First Street. Buildings should be designed to facilitate activity at the street level and the ground floor street façade should allow views into buildings. The proposed development incorporates storefront windows with awnings along North First Street and Gish Road to give the project a “main street” feel, provide a lively streetscape and allow views into the building. Balconies for the residential units provide articulation along the second and third floors. The applicant has agreed to work further with staff to develop both the exterior and the interior of the building through the Planned Development Permit process. A high quality of architectural treatment will be very important for this project to set the direction for future development near the Kerley Neighborhood. The building is designed to present an urban image with limited automobile access and will be compatible with the low-rise buildings already existing along North First Street and Gish Road. As stated above, the building fronts directly onto the sidewalk and completely screens the parking lot. The three-story building will have a maximum height of 46.6 feet, which is below the maximum height of 65 feet allowed in the Plan, and conforms to the Specific Plan’s recommended two to three stories.

### Building Setbacks and Street Frontage Landscaping

Consistent with the building setback design standards of the Rincon South Specific Plan, the building will be provided with a 27-foot setback along North First Street and a 10-foot setback along Gish Road. Per the Specific Plan standards, both setbacks are measured from the street curb rather than the property line. The setback along North First Street will include a 17-foot sidewalk area with inset street trees and a 10-foot landscaped area. The setback on Gish Road will be a 10-foot sidewalk with inset street trees. The Specific Plan allows commercial setbacks along Gish Road with little or no landscaped setback to encourage activity along the street frontage. Trees will be placed in front of the building and at the back of the curb to provide street landscaping, consistent with the Specific Plan.

### Parking

The project will provide 24 parking spaces. Recognizing that demand for commercial parking generally occurs at different times for residential parking, San Jose’s Residential Design Guidelines encourage shared residential and commercial parking spaces to reduce the number of parking spaces for mixed-use developments. The parking spaces for this project have been designed to be shared by retail customers and residents. The type of retail uses anticipated for this project are those that customers will stop for only a brief period of time while they are on their way to other activities, such as work or home.

San Jose’s Residential Design Guidelines provide parking standards for residential projects city-wide typically at 1.4 spaces per studio unit, 1.5 spaces per one-bedroom unit, and 1.8 spaces per two-bedroom units. Under these ratios, a total of 32 parking spaces would normally be required for this residential unit combination. As stated above, the project will provide 24 parking spaces on-site. The Rincon South Specific Plan recommends that sites located adjacent to light rail stations should be designed to encourage pedestrian access and discourage auto-oriented design. San Jose’s Zoning Ordinance also specifically allows a 10% reduction in required parking for sites located within 2,000 feet of a light rail station. Other Planned Development Zonings, such

as the Irvine Apartment Project in North San Jose (PDC01-04-053), have allowed a 15% reduction in parking requirements for sites located near light rail stations.

Staff believes given the small scale of this project, the preponderance of studio units and the developer's indication that the units will be marketed to attract non-automobile users, that the more than one-third reduction in Guidelines recommended parking will be adequate at this location. The number of on-site parking spaces exceeds the number of units. There are approximately 3-4 on-street parking spaces available directly east of the site on Gish Road which staff found to be generally available at any time of day. Additional on-street spaces are available further east on Gish Road and on Kerley Drive. The design criteria of the Rincon South Specific Plan and the size and configuration of the subject property limit the ability to provide additional on-site spaces and surrounding properties are unlikely to redevelop in the near future. However, because of the project's location, mixed-use tenants, anticipated foot traffic to the store by neighborhood residents and hotel guests, and the policy goals of the City, staff believes that it is appropriate for a significant parking requirement reduction be granted to this site. Without a parking reduction through the Planned Development Rezoning process, the only uses possible on this site, given the adjacent viable motel and restaurant, would likely be a small single-story retail/commercial development.

### Residential Open Space

The Rincon South Specific Plan encourages the inclusion of useable open space into residential projects and recommends that they be provided at levels recommended in the Residential Design Guidelines. The Guidelines recommend 100 square feet per unit of common open space for mixed-use developments. Because of constraints on the project due to the size and design requirements, the project is not including any useable common open space. However, the applicant will be paying fees in-lieu of the dedication of land for park purposes per the requirements of the Parkland Dedication Ordinance. As there is a park planned for the Kerley neighborhood under the Rincon South Specific Plan, it is likely that these fees will be used to fund a future neighborhood park. The Guidelines also recommend a minimum of 60 square feet with a minimum width of 6 feet per unit for private open space. However, the guidelines also provide exceptions for mixed-use developments. In highly urbanized sites with a high-density residential land use designation of 25-40 DU/AC or more and which are subject to significant noise from adjacent major streets, private open space may be deleted for up to 50 percent of the units. The project is providing balconies for 20 of the 22 units. The balconies measure 8 x 6 feet, meeting the minimum width of 6 feet. Because of the site's small size and proximity to major arterial streets, staff has determined that the private and public open space provided by the project is adequate.

### **PUBLIC OUTREACH**

Notices for the Mitigated Negative Declaration and the public hearing were distributed to the owners and tenants of all properties located within 1,000 feet of the project site. The applicant has spoken to and met with the Rosemary Gardens Association several times for this project (the Rosemary Gardens neighborhood is located to the west of the project site across First Street). In addition, the applicant has organized two community meetings for this project. The first meeting was held on April 2, 2002 at the elementary school in the Rosemary Gardens neighborhood, and the second was held on June 27, 2002 at the Waterford Apartment Communities proximate to the Kerley neighborhood. Approximately 30-40 persons were in attendance at each meeting. The

first meeting was noticed to all those within 500 feet of the project site. The second community meeting was noticed to all within 1000 feet of the project site at the request of District 3 Council Office, planning staff, and area residents.

The concerns raised by the residents at the community meetings included parking, crime and security, and possible alcohol sales, and are discussed below in relation to both the residential or retail components of the project.

### Residential Component

Area residents are concerned primarily about the parking for the project residents, and the potential overcrowding of units. As discussed previously, the project is appropriate for higher density development because it is located by light rail and along a major street. The majority of those individuals concerned about the parking issue are residents of the Rosemary Gardens neighborhood. As the Rosemary Gardens neighborhood is located across North First Street and the Light Rail line, staff believes it is unlikely that customers and residents of this project will park across a this major thoroughfare. It is more probable that people will park along Gish Road or Kerley Drive, if parking is not available on-site. The applicant has stated that units will be marketed to attract single non-automobile users. Since a majority of the mostly market rate units will be studios in an urban area, the typical renter will be most likely a single working adult. The applicant has also indicated that an on-site project manager will be a resident on the site and would carefully monitor numbers of tenants within the units, and vehicles allowed to be continuously on-site.

### Commercial Component

Neighbors of this site have some concern regarding the commercial component of the project including parking and possible increase in area crime. Since the owner of the property is the corporation that owns the 7-11 store chain, it is likely that the larger of the two retail spaces will be occupied by a 7-11 convenience store. Although the zoning would allow general retail use, the remainder of this section will address the concerns area residents have relative to a convenience store use, since those were specifically named. Some of the neighbors are concerned that there will not be enough parking on-site for customers of the 7-11 store. Parking spaces will be limited because of the transit-oriented design of the project and the size of the property. However, parking is designed to be shared with the residential portion. Additionally, convenience stores, such as 7-11, are designed for short visits and quick errands, not browsing. Customers will likely be at the store for a short time to pick up a few items on their way to other activities. There will be some on-street parking available on Gish Road or Kerley Drive. Many customers are anticipated to walk to this store from the Kerley neighborhood, whose residents expressed a need and support for a convenience market at this location. As stated above, customers for this site will be less likely to cross North First Street to the west to park on any of the streets in the Rosemary Gardens neighborhood. A 7-11 store would also serve the guests of the three proximate hotels within walking distance.

Some residential neighbors have also expressed concerns regarding crime. The applicant has stated that the site will be well-lit and cameras will be placed in the parking lot to discourage illegal activity. Crimes tend to occur in dim, hidden and quiet areas where the activity is less likely to be observed. North First Street is a busy thoroughfare with a large amount of traffic. The retail store incorporates a design with large windows, will be well-lit and will have an on-

site manager. Additionally, because the site is a mixed-use development with residential units located above, it will be to the owner's advantage to maintain a clean and safe site that will attract renters. Staff believes that a mixed-use project including a 7-11 store together with housing will be better maintained than a stand-alone convenience store. Residents also raised concern regarding sale of alcohol. The sale of alcohol would be regulated through several subsequent processes, including the PD Planned Development Permit Process, and the Alcoholic Beverage Control Agency process. The applicant has responded to staff and neighborhood concerns in community forums by agreeing to limit the hours of alcohol sales through these subsequent permit processes from 7 am to 1 am, similar to the alcohol sales hours of the nearest liquor store, Hyde Park Liquor. A separate Planned Development Permit or Amendment with a public hearing process would then be required to increase the alcohol sale hours.

The development and adoption of the Rincon South Specific Plan in 1998-99 was a very public process that provided opportunity for input by the residents through public hearings and community meetings. Four residents of the Rosemary Gardens neighborhood served as part of a focus group centrally involved in the development of the Plan.

## **CONCLUSION**

As discussed above, the project is consistent with the type of development envisioned as a goal of the Rincon South Specific Plan and for development along a light rail corridor and is generally consistent with the Residential Design Guidelines. While the project proposes significantly reduced on-site parking relative to citywide standards, staff believes the configuration is appropriate along the North First Street light rail corridor, and that proximate street parking adjacent to other commercial uses is readily available. Given the likely continued viability of the surrounding commercial uses including hotels, staff believes this proposal for a vertical mixed-use project to anchor this important corner is the best opportunity for some years to make a development statement to implement the Rincon South Specific Plan and relate positively to the Light Rail.

## **RECOMMENDATION**

Planning staff recommends the Planning commission forward a recommendation of approval and the City Council adopt an ordinance rezoning the subject site for the following reasons:

1. The proposed project will be consistent with the San Jose 2020 General Plan Land Use/Transportation Diagram designation of Rincon South Specific Plan: Transit Corridor Residential (25-65 DU/AC) and General Commercial.
2. The proposed project will conform to the goals and objectives Rincon South Specific Plan.
3. The project furthers the goals and objectives of the City's infill housing strategies and will promote transit usage.
4. The proposed rezoning is compatible with existing and proposed uses on the adjacent and neighboring properties.

Attachments

cc: Mr. Sandy Getreu. P.O. Box 685. Pebble Beach, CA 93953.  
Barry Mirkin. 542 Lakeside Drive, Suite 2A. Sunnyvale, CA 94086.